

**ASSEMBLY BILL**

**No. 7**

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**Introduced by Assembly Member Nazarian**

July 16, 2015

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An act to amend Section 39719 of the Health and Safety Code, relating to public transit, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 7, as introduced, Nazarian. Public transit: funding.

Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund.

Existing law continuously appropriates 10% of the annual proceeds of the fund to the Transit and Intercity Rail Capital Program and 5% of the annual proceeds of the fund to the Low Carbon Transit Operations Program.

This bill would instead continuously appropriate 20% of those annual proceeds to the Transit and Intercity Rail Capital Program, and 10% of those annual proceeds to the Low Carbon Transit Operations Program, thereby making an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 39719 of the Health and Safety Code is  
2     amended to read:

1 39719. (a) The Legislature shall appropriate the annual  
2 proceeds of the fund for the purpose of reducing greenhouse gas  
3 emissions in this state in accordance with the requirements of  
4 Section 39712.

5 (b) To carry out a portion of the requirements of subdivision  
6 (a), annual proceeds are continuously appropriated for the  
7 following:

8 (1) Beginning in the 2015–16 fiscal year, and notwithstanding  
9 Section 13340 of the Government Code, ~~35~~ 50 percent of annual  
10 proceeds are continuously appropriated, without regard to fiscal  
11 years, for transit, affordable housing, and sustainable communities  
12 programs as following:

13 (A) ~~Ten~~ Twenty percent of the annual proceeds of the fund is  
14 hereby continuously appropriated to the Transportation Agency  
15 for the Transit and Intercity Rail Capital Program created by Part  
16 2 (commencing with Section 75220) of Division 44 of the Public  
17 Resources Code.

18 (B) ~~Five~~ Ten percent of the annual proceeds of the fund is hereby  
19 continuously appropriated to the Low Carbon Transit Operations  
20 Program created by Part 3 (commencing with Section 75230) of  
21 Division 44 of the Public Resources Code. Funds shall be allocated  
22 by the Controller, according to requirements of the program, and  
23 pursuant to the distribution formula in subdivision (b) or (c) of  
24 Section 99312 of, and Sections 99313 and 99314 of, the Public  
25 Utilities Code.

26 (C) Twenty percent of the annual proceeds of the fund is hereby  
27 continuously appropriated to the Strategic Growth Council for the  
28 Affordable Housing and Sustainable Communities Program created  
29 by Part 1 (commencing with Section 75200) of Division 44 of the  
30 Public Resources Code. Of the amount appropriated in this  
31 subparagraph, no less than 10 percent of the annual proceeds, shall  
32 be expended for affordable housing, consistent with the provisions  
33 of that program.

34 (2) Beginning in the 2015–16 fiscal year, notwithstanding  
35 Section 13340 of the Government Code, 25 percent of the annual  
36 proceeds of the fund is hereby continuously appropriated to the  
37 High-Speed Rail Authority for the following components of the  
38 initial operating segment and Phase I Blended System as described  
39 in the 2012 business plan adopted pursuant to Section 185033 of  
40 the Public Utilities Code:

- 1 (A) Acquisition and construction costs of the project.
- 2 (B) Environmental review and design costs of the project.
- 3 (C) Other capital costs of the project.
- 4 (D) Repayment of any loans made to the authority to fund the
- 5 project.
- 6 (c) In determining the amount of annual proceeds of the fund
- 7 for purposes of the calculation in subdivision (b), the funds subject
- 8 to Section 39719.1 shall not be included.

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